

Exploration Report – March 2020

Summary: PT Merdeka Copper Gold (Merdeka) is continuing with exploration activities at three locations in Indonesia (Tujuh Bukit, Wetar Island, West Malukus, and Pani, Gorontalo), as per Figure 1 below. At Tujuh Bukit the focus is on a copper-gold resource, at Wetar the focus is on copper, and at Pani the company is exploring a gold resource.

The total spending on exploration in Indonesia by Merdeka in the month of March 2020 is approximately Rp 29.1 billion.



Figure 1: Merdeka Exploration Project Locations

Copper and Gold: The Upper High Grade Zone (UHGZ) of the Tujuh Bukit copper and gold resource is being explored through a combination of surface and underground drilling.

In March 2020, the total underground metres drilled were 1,647 metres for Resource Definition (Res Def) drilling. The underground drill holes are designed to test the continuity of mineralisation, as well as for geotechnical and hydrological information. Four LM110 UG rigs are currently in operation.

Total drilling from surface, primarily for hydrologic holes (i.e. to understand the nature of water movement and the presence of water transmitting fault structures in and around the resource) was 115 metres, as summarised in the table below.

The underground exploration decline advanced 71.94 metres, taking the decline chainage to 1756.29 metres at the end of March, with the overall development at 2,488 metres.

The actual advance exceeded the monthly forecast for March (65.0m) by 6.94m due to better than expected ground conditions.

SITE_ID	From	To	Interval	Comment
MBH-20-029	55	130	75	Hydro
MBH-20-030	0	40	40	Hydro
UHGZ-20-011	303.1	336.8	33.7	Res Def
UHGZ-20-012W	480.3	779.6	299.3	Res Def
UHGZ-20-013	442.2	727.3	285.1	Res Def
UHGZ-20-014	222.9	789.6	566.7	Res Def
UHGZ-20-015	0	462.2	462.2	Res Def

Table 1: Tujuh Bukit underground project drilling statistics March 2020

The total expenditure for exploration related activities for the Tujuh Bukit UHGZ in March is Rp 21 billion for decline drift development, Rp 5.4 billion for underground resource definition drilling and surface hydrology drilling, for a total of Rp 26.4 billion. All work was completed through a contracting agreement between Merdeka and PT Merdeka Mining Servis.

Copper: The Wetar Island exploration program continued to focus on compilation of datasets for resource and reserve estimation at Partolang, with further samples collected for detailed mineralogical work and metallurgical studies. No drilling activities were completed but, mapping and surface sampling commenced on 4 targets defined from previous geophysical surveys to the north and northwest of Partolang.

Total estimated costs for the March exploration program are Rp 0.6 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

Gold: Diamond drilling at the Pani Project commenced on the 7th November. The planned programme comprises 40 drill holes located on 29 drill pads for a total of approximately 10,500m as shown in Figure 2 below.

Drilling continued as normal throughout March using a single man portable drill rig with 3 holes completed or underway for 438.15m. This brings total drilling in the current program to 9 holes for 1,829.05 metres.

Total expenditure for exploration activities on the Pani property in March 2020 is Rp 2.1 billion. All work was completed through a contractual agreement between Merdeka and PT Merdeka Mining Servis.

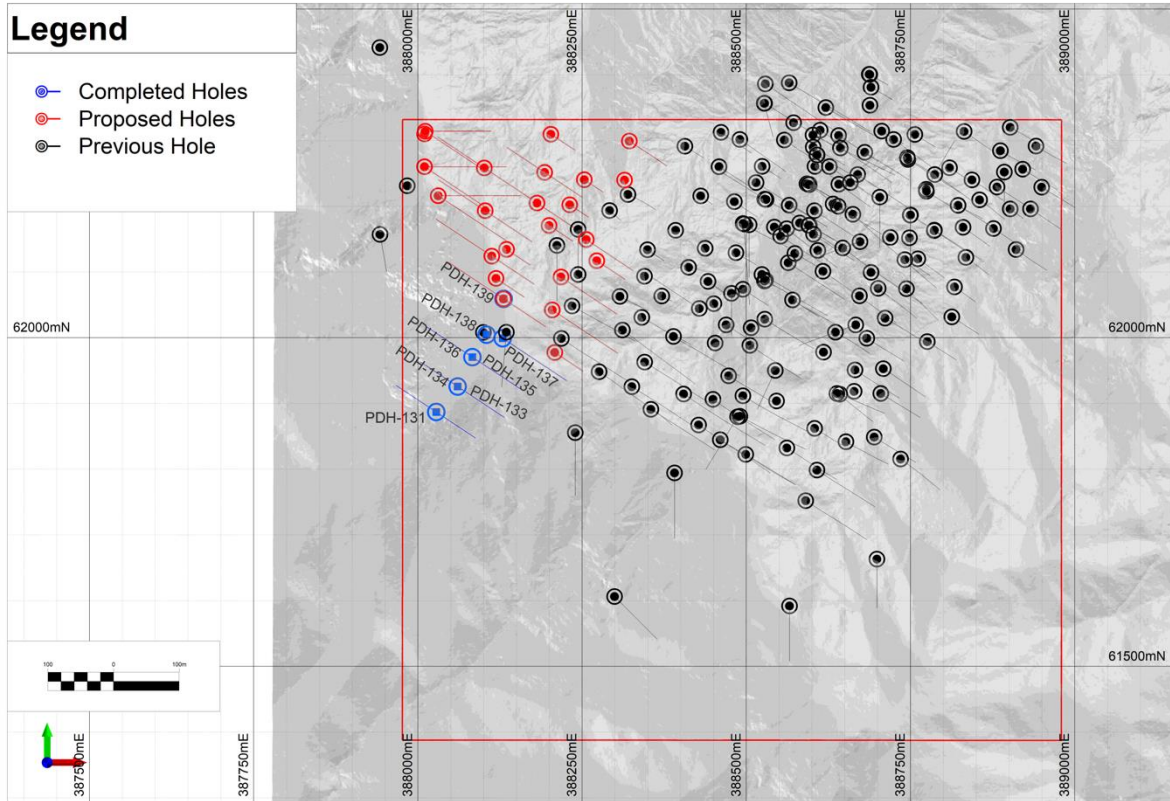


Figure 2: Pani proposed and completed drill holes overlain on topography